



# *Stakeholder Communication Update*

The Department of Health Care Services (DHCS) is pleased to provide this bimonthly update of important events and actions at the department. If you are not currently receiving this update, please sign up on the DHCS [website](#). Please view the [Calendar of Events](#) for specific meetings and events, or review the [Stakeholder Engagement Directory](#) by program. You may also view our [State Plan Amendments](#). For questions, concerns, or suggestions, you may contact us by email at [DHCSPress@dhcs.ca.gov](mailto:DHCSPress@dhcs.ca.gov). Thank you.

## **Public Hospital Redesign and Incentives in Medi-Cal (PRIME)**

On March 3, CMS approved the PRIME Operational Protocols (Attachments D, Q, and II). Following these approvals, DHCS released the PRIME five-year plan template to the 60 participating PRIME entities (Designated Public Hospitals and District/Municipal Public Hospitals), which were due back to DHCS on April 4. DHCS will conduct two stakeholder engagement sessions on April 11 (webinar) and April 19 (in person) during the 60-day application review process of the PRIME five-year plan. These sessions, required by the Medi-Cal 2020 waiver's Special Terms and Conditions, will inform the public of DHCS' five-year plan approval process, and engage the public for comment. Details on the sessions will be posted on the [PRIME webpage](#). For additional questions or comments, please email [PRIME@dhcs.ca.gov](mailto:PRIME@dhcs.ca.gov).

## **Whole Person Care (WPC)**

The WPC pilot is a five-year program authorized under the Medi-Cal 2020 waiver that provides an opportunity to test locally-based initiatives that coordinate physical health, behavioral health, and social services for Medi-Cal beneficiaries who are high users of multiple health care systems. WPC pilots will identify target populations, share data between systems, coordinate care in real time, and evaluate individual and population health progress. WPC pilot lead entities must either be a county, a city and county, a health or hospital authority, a designated public hospital or a district/municipal public hospital, a federally recognized tribe, a tribal health program operated under contract with the federal Indian Health Services, or a consortium of any of the above entities. The Medi-Cal 2020 waiver provides up to \$1.5 billion in federal funding over five years that can be matched by local dollars. To date, DHCS has released Frequently Asked Questions; a crosswalk that compares the WPC, Health Homes for Patients with Complex Needs Program, PRIME, and Coordinated Care Initiative requirements; and a voluntary Letter of Intent (LOI) that will assess the level of interest to participate in the WPC pilots across the state. Entities interested in the WPC pilot program may voluntarily submit their LOI by April 8. Entities that do not submit an LOI are still eligible to submit an application. DHCS continues to work with CMS on the related attachments to the waiver Special Terms and Conditions that will provide additional detail and

requirements for the WPC program. Additional information about the WPC pilots is posted on the DHCS [website](#).

### **Global Payment Program (GPP)**

On March 21, CMS [approved](#) the GPP Operational Protocols (Attachments EE and FF). The GPP establishes a statewide pool of funding for the remaining uninsured by combining federal Disproportionate Share Hospital (DSH) and uncompensated care funding, where county Designated Public Hospital systems can achieve their “global budget” by meeting a service threshold that incentivizes movement from high-cost, avoidable services to providing higher value, preventive services. The approved protocols establish the methodology for valuation of services and establishment of thresholds. The approved protocols can be found on the [GPP webpage](#). For additional questions or comments, please email [WaiverRenewal@dhcs.ca.gov](mailto:WaiverRenewal@dhcs.ca.gov).

### **Dental Transformation Initiative (DTI)**

On December 30, 2015, CMS approved \$740 million, with the opportunity to earn an additional \$10 million, for the DTI as part of the Medi-Cal 2020 waiver. Over the course of the waiver demonstration, DHCS will implement and operate the DTI's four domains, which comprise Increase Preventive Services Utilization for Children; Caries Risk Assessment and Disease Management Pilot; Increase the Continuity of Care; and Local Dental Pilot Programs. Eligible providers participating in one or more domains may receive incentive payments by satisfying the requirements set forth for each domain. The four domains of the DTI are designed to focus on specific oral health issues in California, and are aimed at encouraging access to care for beneficiaries, encouraging provider participation, and awarding provider incentives for being active and proactive participants in ensuring the delivery of dental services to the Medi-Cal population. The schedule for stakeholder engagement and work plan for the development of the parameters for each domain is forthcoming.

### **First Uncompensated Care Assessment for Medi-Cal 2020 Waiver**

This assessment focuses on uncompensated care, provider payments, and financing across all designated public hospital systems that serve Medicaid beneficiaries. It will examine the current Medicaid hospital payment and financing system, with a major focus on services currently supported with pool funds; the financing of providers that play a significant role in serving the Medicaid population and the low-income uninsured; pool funds that are needed to cover uncompensated care; and how uncompensated care has changed since implementation of the Affordable Care Act (ACA) expansion. Blue Shield Foundation has selected Navigant as the consultant for this first independent report on uncompensated care required under the Medi-Cal 2020 waiver. The report is due to CMS on May 15. The report will be used by CMS to inform their determination of the level of non-DSH funding under the GPP in years two through five of the waiver. Following their selection, DHCS began work with the consultant and relevant hospital systems to provide the needed data for completion of the report. For additional questions or comments, please email [WaiverRenewal@dhcs.ca.gov](mailto:WaiverRenewal@dhcs.ca.gov).

## **Medi-Cal Managed Care Access Assessment**

The Medi-Cal 2020 waiver Special Terms and Conditions (STCs) require DHCS to conduct a one-time independent Access Assessment (Assessment) of managed care in California based upon the Knox Keene Health Care Service Plan Act of 1975 and DHCS/Medi-Cal managed care health plan contract network adequacy requirements, as applicable. The Assessment will consider State Fair Hearing and Independent Medical Review (IMR) decisions and grievances and appeals/complaints data. DHCS will contract with its External Quality Review Organization (EQRO) to conduct the Assessment. As a requirement of the Assessment, DHCS must establish an Advisory Committee that will provide input into the design, draft report, and recommendations, if any, of the Assessment. On April 1, DHCS released an Access Assessment Advisory Committee application, which is due to DHCS by May 1. Selected Advisory Committee members will be announced on June 15. For more information, please visit the [DHCS website](#).

## **California Children's Services (CCS) Redesign**

The next quarterly meeting of the CCS Advisory Group (AG) will be held April 6 in Sacramento. At the most recent meeting on January 6, stakeholders, including parents and family advocates, discussed implementation of the Whole Child Model and improvements to the CCS program. The focus of the meeting was a comparison between Medi-Cal managed care, the CCS program, and Whole Child Model requirements. There was also a presentation on the managed care readiness review process. DHCS also facilitated two technical workgroup webinars in December, one webinar in January, and one webinar in February. Meeting materials, including agendas and presentations for the technical workgroups and the AG meeting, can be found on the [CCS AG website](#). For more information, please visit the [CCS AG website](#) or e-mail [CCSRedesign@dhcs.ca.gov](mailto:CCSRedesign@dhcs.ca.gov).

## **Final Rule for Covered Outpatient Drugs**

April 1 is the effective date of the final [rule](#) for covered outpatient drugs, with a compliance date of April 1, 2017. On January 21, CMS issued a final rule for covered outpatient drugs that addresses key areas of Medicaid drug reimbursement and changes made to the Medicaid Drug Rebate Program by the ACA. While the entire content of the final rule is still under DHCS review, notable changes include, but are not limited to, requiring states to begin reimbursing pharmacies based upon the actual acquisition cost of a drug; replacing the term "dispensing fee" with "professional dispensing fee"; modifying the statutory definition of Average Manufacturer Price; updating the Federal Upper Limit formula for the payment of certain generic drugs; and clarifying the definition of "best price." The final rule also requires states to evaluate the sufficiency of both the ingredient cost and professional dispensing fee reimbursements when proposing changes to either policy.

## **Dental Request for Proposals (RFP)**

DHCS is procuring a new Dental Fiscal Intermediary and Dental Administrative Service Organization contract. The RFPs for the contract are now being evaluated, and DHCS anticipates announcing the awardees on May 5. Additional information about both of the RFP efforts is available on DHCS' Office of Medi-Cal Procurement [website](#).

## **Office of Family Planning (OFP) Stakeholder Meeting**

On May 9, DHCS will hold the next family planning stakeholder meeting. These meetings are held quarterly and are used primarily to discuss operational and policy issues related to the administration of the Family Planning, Access, Care, and Treatment Program and Medi-Cal family planning services. The meeting announcements and other information are posted on OFP's stakeholder [website](#).

## **Coverage for All Children – Senate Bill (SB) 75**

May 16 is the projected date for the implementation of SB 75, which is when DHCS and SB 75 partners are expected to complete and implement all system changes. Full-scope eligibility will be retroactive to May 1. On March 22, DHCS conducted its second webinar for stakeholders regarding the SB 75 eligibility and enrollment plan. SB 75 requires DHCS to provide full-scope Medi-Cal benefits to children, under age 19, who do not have satisfactory immigration status or are unable to establish satisfactory immigration status. After DHCS' Director communicates to the Department of Finance that the system is ready to enroll these children into full-scope coverage, actual enrollment will begin. DHCS has been working collaboratively with interested stakeholders on implementation efforts, and updates are provided at the biweekly Immigration Workgroup meetings. Stakeholders interested in participating in the Immigration Workgroup, or seeking additional information, may [email](#) DHCS or visit the DHCS [website](#).

## **Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver Update**

The regional meeting and implementation kick-off for Phase Three counties was held on March 30. After receiving approval of the DMC-ODS waiver from CMS on August 13, 2015, DHCS began its implementation efforts. The DMC-ODS provides a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria for Substance Use Disorder (SUD) treatment services. DHCS is currently assisting Southern California Phase Two counties, and is reviewing seven county implementation plans concurrently with CMS. Also, as part of their participation in the DMC-ODS, CMS requires all residential providers to meet the ASAM requirements and obtain a DHCS-issued ASAM designation. As of March 14, DHCS has designated 168 residential alcohol and/or other drug treatment facilities with the appropriate ASAM level of care. Additionally, DHCS hosts two technical assistance conference calls per month for county DMC-ODS leads regarding implementation of the DMC-ODS as well as periodic webinars for relevant audiences, as needed. DHCS will host the annual Substance Use Disorders Statewide Conference in Garden Grove on August 23 to 25, entitled "Shifting the SUD Paradigm." More information about the DMC-ODS waiver is available on the DHCS [website](#).

## **Managed Care Organization (MCO) Tax**

After working for more than a year to address concerns from health plans, the business community, and the Legislature about the impact of the MCO tax, the Governor on March 1 signed into law MCO financing legislation. The reformed MCO tax provides more than \$1.3 billion in annual funding for Medi-Cal over the next three years, allowing for the continued expanded health care coverage to millions of Californians and

protecting programs from cuts during future budget deficits. The MCO tax reform in the final legislation includes not only a new MCO tax, but a structured taxing system for health plans in California by replacing existing taxes on health plans, including the prior Medicaid MCO tax as well as the corporations tax and gross premiums tax, with a single tax, the new MCO tax. These tax reforms result in overall reduced net tax liability for the health plan industry and, therefore, are not expected to result in increased costs to consumers. Before the MCO tax reform can go into effect in July, DHCS requires CMS approval of the new MCO tax structure. DHCS submitted the required waiver request to CMS on March 16.

### **Allied Dental Professionals Enrollment**

On March 16, CMS approved State Plan Amendment 15-005 to allow registered dental hygienists, registered dental hygienists in extended functions, and registered dental hygienists in alternative practice to enroll as billing and rendering providers in the Medi-Cal Dental Services Program. This is a positive step forward in increasing the network of available service providers for Medi-Cal beneficiaries. The effective date of SPA 15-005 is September 1, 2015. The approved SPA, including additional information regarding the scope of practice, is available on the DHCS [website](#).

### **Medi-Cal Tribal and Designees of Indian Health Programs**

On March 1, DHCS hosted the annual Medi-Cal Tribal and Designees of Indian Health Programs meeting. Representatives included tribal officials, clinic directors, and other designees of Indian health programs. A variety of issues were addressed that impact Indian health providers and Medi-Cal members. Stakeholders expressed interest in holding more frequent meetings throughout the state, and DHCS is reviewing this request. Possible focus areas of discussion for future meetings include recent CMS policy changes related to 100 percent Federal Medical Assistance Percentage for services provided through a tribal health program, managed care impacts with tribal health programs, and the Section 1115 waiver tribal components.

### **Behavioral Health Treatment (BHT)**

In February 2016, DHCS began transitioning the responsibility for providing BHT services from the Department of Developmental Services' (DDS) Regional Centers to Medi-Cal. The transition occurs by birth month and will continue through July 2016, with possible additional transition months occurring to capture newly eligible beneficiaries and those who were unable to transition during their scheduled birth month. As of March 2016, 6,826 beneficiaries are now receiving BHT services through Medi-Cal managed care health plans (MCP). This includes both transitioned beneficiaries and new beneficiaries who have accessed care after implementation of the benefit in Medi-Cal in September 2014. For those beneficiaries who have transitioned, 90 percent have secured continuity of care with their existing provider, and the remaining have been safely transitioned to an in-network provider following receipt of treatment information. An additional 1,700 fee-for-service beneficiaries were transitioned at one time on February 1 from the Regional Centers. These beneficiaries stayed with their same provider and experienced only an administrative change. On March 24, DHCS held a webinar to update stakeholders about the transition as well as the status of the 1915(c)

waiver renewal and BHT 2015-16 capitated rate development to date. Additional information on the BHT transition is available on the DHCS [website](#).

### **Coordinated Care Initiative (CCI)**

As of March 1, approximately 123,560 beneficiaries are enrolled in Cal MediConnect health plans in the seven CCI counties. Initial passive enrollment in Orange County continues through July 2016. Full enrollment data is available on the Cal MediConnect [dashboard](#). In March, DHCS released new data on how Cal MediConnect health plans are performing in six areas related to care coordination, quality, and service utilization. The dashboard shows that, on average, Cal MediConnect health plans are performing well on measures related to care coordination. During the reporting period and across all Cal MediConnect health plans, 88 percent of reachable and willing beneficiaries received on-time Health Risk Assessments. Also, 88 percent of beneficiaries with a case manager or care coordinator were contacted by their case manager, care coordinator, or care team. In addition, the dashboard shows that, on average, 61 percent of hospital discharges were followed up with outpatient services within 30 days, which can lead to better health outcomes for beneficiaries. DHCS continues working with Cal MediConnect health plans to measure, sustain, and improve performance on all reporting measures in order to ensure beneficiaries are receiving high quality, coordinated care. The complete Cal MediConnect performance dashboard can be found [here](#). Furthermore, DHCS is committed to supporting our partners in their efforts to meet the needs of Californians dually eligible for Medicare and Medi-Cal. Together with the California Hospital Association and Cal MediConnect health plans, DHCS developed the [Cal MediConnect Hospital Case Manager Toolkit](#), a new resource that can be used by hospital case managers to support Cal MediConnect enrollees before, during, and after hospitalization. For more information about the CCI, please visit the DHCS [website](#) or [calduals.org](#).

### **Outreach and Enrollment (O&E) and Renewal County Grants**

Assembly Bill (AB) 82 and SB 18 established statewide county grant projects implemented to enroll targeted populations into Medi-Cal and retain current Medi-Cal beneficiaries. Both initiatives are privately funded and federally matched. To date, DHCS has paid approximately \$10 million to 31 of 33 counties participating in O&E activities (AB 82) and \$2 million to 14 of 24 counties participating in renewal activities (SB 18). In fiscal year 2015-16, AB 82 O&E activity reached 371,442 individuals, provided enrollment assistance to 26,774, and resulted in 15,265 approved applications. SB 18 has assisted 124,954 individuals with annual eligibility review and retained 96,362 individuals as a result of renewal assistance efforts. Both programs have been extended to June 30, 2018, per SB 75.

### **Affordability and Benefit Program for Newly Qualified Immigrants**

Welfare and Institutions Code Section 14102 established the Affordability and Benefit Program for Newly Qualified Immigrants (NQI). Individuals who participate in this program will enroll in a Covered California health plan and receive Medi-Cal coverage for any Medi-Cal-covered services not included in the Covered California plan. Enrollment opportunities for this program are planned for the Covered California 2016 open enrollment period beginning in November 2016, with qualified health plan

enrollment beginning on January 1, 2017. For individuals who participate in this program, all costs related to the Covered California plan will be paid by the state after federal advanced premium tax credits are applied. DHCS meets with the NQI stakeholder workgroup to discuss implementation activities and to obtain feedback on written materials for the program, including methods of informing and assisting eligible individuals, policies, and the transition process for existing and newly eligible individuals. Stakeholders have reviewed and commented on eligibility and enrollment scenarios and flowcharts, an outreach informational letter, and notices of action. Stakeholders interested in the program seeking additional information are encouraged to [email](#) DHCS or visit the DHCS [website](#).

### **Every Woman Counts (EWC)**

DHCS postponed the February 3 EWC meeting with the Breast and Cervical Cancer Advisory Council (BCCAC) and stakeholders, and the February 24 meeting with EWC stakeholders. EWC typically meets with both groups twice per year to discuss EWC priorities, unit updates, and activities. The next meetings are scheduled for June 8 (BCCAC and stakeholders) and June 23 (EWC stakeholders). Meeting materials will be posted on the DHCS [website](#) and emailed to participants prior to the meetings. For more information about EWC, please visit the DHCS [website](#).

### **California Pink Ribbon License Plate**

To date, 2,021 pre-orders have been received for the California Pink Ribbon License Plate. A minimum of 7,500 paid pre-orders, by mid-July 2016, are needed for the Department of Motor Vehicles (DMV) to begin producing the plates. You may pre-order the license plate at [www.PinkPlate.org](http://www.PinkPlate.org). Revenue generated by the license plate will go to the Breast Cancer Control Account to raise breast cancer awareness and support breast cancer early detection efforts, including outreach, education, screening, diagnostic services, and treatment referral for women. EWC is working closely with the Survivor Sisters, DMV, and California Highway Patrol to bring the first-of-its-kind Pink Ribbon License Plate to California.

### **California Prostate Cancer Coalition (CPCC)**

The [CPCC](#) meets quarterly with DHCS and the Prostate Cancer Treatment Program, and the most recent meeting was held on February 11. CPCC is a coalition of doctors, prostate cancer survivors (and families), nurses, support groups, and others concerned about prostate cancer in California. The CPCC is dedicated to saving men's lives by making prostate cancer a key public health priority. The CPCC has developed a prostate cancer decision-making [tool](#) to facilitate primary care physicians and patients in an informed discussion about prostate cancer testing. Stakeholders interested in participating as a member of the CPCC advisory council or board may contact the CPCC at <http://prostatecalif.org/contact-us/>.